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Inventors
14781 Memorial Dr #1867
Houston, TX 77079

Patent Application Number: 09/759,723

United States of America
Patent and Trademark Office

Dear Debra F. Charles,

This is a "request for reconsideration or further examination of the claim". **Please consider this further clarification of patent** 09/759,723, Method of reducing fraud in credit card and other E-business. **This explanation is submitted as soon as possible whereas the inventor did not receive the communication on the status about this patent despite calling the USPTO once each six months for the past several years and providing updated contact information for the inventor. As well, I called in January, March, May, and June of this year about this patent and was always told it had no status update and then it was being reviewed after about four and ½ years.**

I had no contact with the original filing attorney due to relocations to other cities and jobs over that time period. Please update all records to reflect my information and, additionally, timjowers@gmail.com **and 803-740-9820. Please let me know of a particular form I must file for this as I have been told to file a "Change of Address Correspondence" but will consult the attorney who assisted us in the original application.**

Please correspond with me too keep me informed of the status as possible and with the other inventor, Dana DeVoe who is contactable at danadevoe@yahoo.com **or by phone at 1-904-305-0131.**

Please review the following justifications for our patent and let us know what else we need to do to proceed.

Thank you,

Tim Jowers

Summary: A series of Objections were raised in the Office communication about our patent application. We have analyzed each reference for relation to our patent and have found each to be distinct from our patent. We have provided fairly detailed explanations of how our invention is different and independent of those referenced. As well we have accepted the claims of triviality with some insult and are quick to point out these claims are self refuting as related patents are quoted in the Objections and are themselves justification of the non-triviality and non-obvious nature of work in this area. The granting of these is a rebuttal for general claims of triviality and of obviousness but more exact rebuttals and justifications are given below. The rebuttals and justifications are grouped by Objection number.

Objections:

1. Improper number.

No Rebuttal. We paid a professional and experienced patent attorney but this mistake still occurred. We did not know to change this point when we reviewed the patent application before submission but will correct this on any future filings.

2. Claim 8 rejection.

Again, erroneous filing. Sorry about that.

3. "Claims 1-12 are rejected under 35 U.S.C. 101 because the bodies of the claims do not reject technology, i.e. computer implementation or any other technology in a non-trivial manner."

Rebuttal 1: This technology cannot be called trivial when there is other technology of a similar nature which is patented, so similar that below are listed several area that are believed to be identical to others.

Rebuttal 2. The patent application fully defines a technology and the technology is a computer software system. The very technique for integrating the system is nontrivial as is the required program flow as defined in the patent application. Figure 1 documents a collaboration diagram and such diagrams are the industry standard way to document software design. Figure 2 documents a flowchart and prior to the popularity of the Unified Modeling Language flowcharts were the de facto standard for documenting software design. Figures 3a, 3b, 3c, and 3d document a user interface design for explanation of the process of the invention.

3.1 The claimed invention must produce a "useful, concrete, tangible result".

Rebuttal 1: Our system expressly produces a binary result: reject or approve. This is stated in the patent application.

Rebuttal 1:   Our system expressly produces a binary result: reject or approve. This is stated in the patent application.

Rebuttal 2:   The system also produces system data used between modules which is useful and concrete which is the user's profile settings. These are stated in the application and shown in the diagrams. For example, 1.1. shows the data for the usage line must be configured by the user so this data is passed by the user interface. For example, 7.2 shows this data must be accessed by the issuing bank so this data is accessible by the bank in an automated function. For example, 8.1b shows the usage line data must be accessed during the authorization transaction. In all instances, the data accessed is concrete data representing the usage line for the account holder's account.

3.2   The claimed invention must use technology in a non-trivial manner.

Rebuttal 1: This technology cannot be called trivial when there is other technology of a similar nature which is patented, so similar that below are listed several area that are believed to be identical to others.

Rebuttal 2: The system is nontrivial. This system has not been fully invented or implemented by any other party due to its innovativeness and complexity. As an experienced software consultant I propose that very few software engineers even have the expertise to design this system properly. This is a key reason some 80% of software projects fail. It is our experience and insight which has made this system possible. Software design and implementation is absolutely in no way a trivial endeavor.

Rebuttal 3: The system is nontrivial. <u>The patent application documents using inline computer and human processes for authentication and validation and this is not only not done by others but also very difficult to conceive and create</u>. The inline processes include real-time (what the industry calls "real-time" but is really "inline) contact with the account holder to validate the transaction. This is very non-trivial: the closest any other company has come is <u>just this year Discover will email users of a credit card transaction ex post facto</u> if it is past a certain limit. Our patent documents how email or other communication can be inserted into the credit card process DURING THE TRANSACTION. Also, Verified by Visa is simply another password which must be supplied during the authentication and, in fact, is possibly trivially different than D'Agostino but is very far short of our invention. Our invention provides a solid computer software design to greatly reduce fraud and control spending.

The invention of the body of the claim must recite technology. If the invention in the body of the claim is not tied to technological art, environment, or machine, the claim is not statutory.

Justification 1: The patent application itself is a complete software specification. The specification is complete enough to generate the skeleton classes and methods. In fact, modern tools such as Rational Rose can automatically generate the classes and methods from a diagram such as a class diagram which is embodied within a collaboration diagram. This is a complete technology. Software specifications and software diagramming are used every day in almost all software development companies in order to explicitly document software design. In fact, the standard of quality, Software Engineering Institute's Capability and Maturity Model requires software design documentation for any acceptable level of quality (levels above 1, the lowest level).

Justification 2: The patent application is tied to the art of data processing and specifically processing credit authorizations. The claim is expressly tied to credit authorization systems. The claim is not tied to a specific machine although the software may be deployed in a hosted environment or on the machines at the customer bank.

Justification 3: The patent application is tied credit authorization and must exist in this environment. The patent application is tied to the Internet or other communications mechanisms for the part which communicates with humans.

3.3 Obvious to a person with ordinary skill

Rebuttal 1 While the technology and the approach seem similar
the major different between our approach and the others listed in your
rejections is as follows: Bank side processing and user side
processing. Through the use of the internet, a card holder is able to
change the parameters of approval used by his banking institution. The
parameters we call usage line. This approach is different than all of
the other patents as the bank authorization cannot be modified by the
user of the card. The bank sets the parameter for approval the card
user is unable to change them in all other systems.

Prior art from Adams and D'Agostino for claims 1,3,4 and 12.

Rebuttal 1: Neither Adams nor D'Agostino have patented our process or other aspects of our invention. D'Agostino's is the most related as it is related in the definition of categories.

Similarities and Differences from Adams:

Adams basically patented keeping a list of bad card numbers in a computer rather than on paper and setting a lower total credit sales limit above which transactions must be pre-authorized. In the 1980's vendors had to lookup on paper to verify each credit card presented was not on a blocked list. Adams patented automating this lookup.

In contrast to the Objection claim that Adams table of decision rules may be imagined to cover our usage line please observe that Adams makes absolutely no mention of any validation besides checking the credit limit, the limit on total unauthorized credit issued at a merchant, and the list of bad cards. At the time of Adams' patent application many merchants did not submit credit card purchases in real-time but, rather, waited to batch the submission at night. Adams' patent in reality does not intersect our patent application and is only related in that it relates to credit cards. Furthermore, "rules" are by definition open-ended logic and the use a "rules engine" in no way defines the behavior of a system. Depicting a table of rules (which is in fact not even a Rules Engine by any stretch of the imagination) shows nothing about the actual behavior of the system other than some program logic will be used. It in no way specifies what the program logic is. Imagine if Adams would have meant calling a cell phone to approve a transaction by his rules table? Certainly not as cell phones were not even prevalent when he filed the patent application. His authorization is only by the merchant's credit machine and <u>not even the user</u>, and his "rules table" is a <u>software design documentation</u> that he will reference a table in computer memory or from disk to list bad credit cards and a limit to the amount of credit to authorize without communicating with a central processor.

The flowchart labeled Figure 2 in Adams documents the de facto process for credit card authorizations. Almost every single transaction which occurs today uses a credit limit check as labeled in steps 52, 54, and 56 in the flowchart.

Adams cites the use of a "central processor" while the Visian systems requires no centralized system. As stated in paragraph 5 Adams explicitly is speaking about automating processes with the term "online" and not at all speaking of using the Internet or data gathered from the Internet; after all, the patent was filed in 1990 before the Internet exploded . Circa 1990 the term "online" was synonymous with "automated" not with "the Internet".

A key phrase in Adams reflects how dissimilar Adams patent is to our application, "However, for low value transactions, the losses tend to be lower and the benefits gained from on-line authorization do not justify the added costs and delays involved in obtained [sic] an no-line approval". The essential similarity is both patents cover transactional approval but the pivotal difference is Adams speaks of a very limited system maintained by a central processor while our patent covers a system controlled by the end holder of the credit account and managed by him or her. Another, even more essential point, is Adams covers authorization only by credit limit and card validity: these are de facto practices and are not something we have attempted to patent.

In fact, Adams only covers authorizing transactions above a certain limit and does not cover authorizing all transactions. Furthermore, Adams transaction limits are set by the terminal owner or central processor and not even the bank or even the customer as in our invention.

Similarities and Differences from D'Agostino:

D'Agostino presents a neat idea whereby the customer receives a transaction code which may only be used for a certain purpose at a certain merchant. This idea is quite different from our patent application but is very similar to existing single use discount coupons issued by Lowe's and other merchants and may be seen as similar to one-time use credit cards. In D'Agostino's invention the customer does not reveal a credit card number and the merchant must be able to process a "transaction code" whereas in our invention the merchant does not have to change current business practices. This is so important it bears repeating because the reason fraud has not been successfully combatted is most approaches require a merchant to accept non-standard cards/credit authorizations and/or purchase expensive additional equipment while our invention does not change the common processes of the merchant. Our market analysis revealed the only way to widely disseminate a fraud reduction technology was to make the barrier for entry almost nothing for the merchants and this is why our design is the way we did it rather than as an additional cost to the merchant such as D'Agostino's design.

The "payment categories" (Section 3, line 2) written in D'Agostino is "promotional information" (section 2 line 12) such as advertisements and in no way the same as the usage lines configuration described in our invention. In fact the authorization process described in D'Agostino (Section 3, lines 20 and 21) is a credit check whereas in our invention the usage line is an essential part of the authorization process. D'Agostino does attempt to patent using a dollar amount limit set by the customer or authorizing system but such credit limits are commonplace and have been for many years and this is not a refuting or redundant facet of either invention as it is not patentable as it exists already.

D'Agostino does have limits on time, amount, and merchants but these are inherently tied to a transaction code as thus unable to be applied to a normal credit card. While the authorization process is different in D'Agostino's invention and ours, D'Agostino's payment categories are a subset of our categories and, importantly, limited to amount, time, and merchants who are participating in his system while ours includes time and amount as well as all merchants who accept credit cards and, more importantly, include a vast usage line which is customizable by the user on the Internet and includes many other points for authorizing or rejecting the transaction.

Claim 1: Adams does not cover a usage line. As described above D'Agostino does cover categories but his criteria are a subset of ours and the authorization process is drastically different.

Claim 3: Adams lists pre-authorized transactions but only in the context of credit limits and valid credit cards. D'Agostino does not use a normal credit card and requires a special transaction code which is taken as valid by the system while our invention uses a normal credit card and checks validity dynamically using a set of rules configured by the user and the authorizing

company. Furthermore, <u>neither cited system includes that a pending request for payment could require approval from the user and the bank in realtime as we document</u>.

Claim 4: Adams does not include a usage line or real-time communications. As described above D'Agostino does include some basic category criteria but <u>does not include realtime communication with the user</u>.

Claim 12: <u>Claim 12 is for use by business representatives and this assignment of use is not covered at all in Adams or D'Agostino</u>. A usage line is not described in Adams. No restriction based on business representatives (human, electronic, or otherwise) is made in D'Agostino either.

4. Prior art from Adams, D'Agostino, Brake, and Bragg for claims 2,5,6,7,8,9,10, and 11.

As shown above, **Adams** does not define any patentable part of our invention.

As shown above, **D'Agostino** only covers limits based on amount, time, and merchants and otherwise does not define any patentable part of our invention. D'Agostino's categories are a restricted subset of our usage line and even restricted in how we defined schedule, time, merchants, amounts, and amount aggregation.

Brake, Jr. has patented a card which may be signed up as a credit card or as a transaction card such as a gas card. The card then becomes a credit vehicle but does not necessarily act as a general credit card which may be used by any vendor who accepts credit cards. Brake Jr. also speaks at length about reward points <u>which were in common use already at the time his patent was filed</u>. Brake, Jr. also covers issuing a card to a customer with only a phone call needed for activation; yet, while he claims only two steps are needed, in fact, his flowchart 3C shows no less than seven steps are needed in his process; yet, regardless, <u>we have not attempted to patent a signup feature, reward points, or a method requiring vendors sign up to receive a credit vehicle</u>. One of the essential points of <u>our invention is it does not require vendors to change their daily operation or to buy additional equipment</u>. While Brake, Jr. makes frequent reference to "features" the only feature appears to be the ability to sign up for the credit card and the ability to gain reward points. Brake <u>never elaborates on how his credit card will be able to be used as a gas card or restricted to one specific vendor</u>. The normal way to do this outside of our invention is to have a credit vehicle accepted by a chain of stores and processed independently of normal credit card transactions. <u>We have made no attempt to patent gasoline cards, telephone calling cards, or chain-store credit cards</u>. Considering all of Brake. Jr. none of his patent overlaps any of the claims of our patent.

Brake, Jr.'s process is for signing up for a credit card and not for inline authorization. Brake, Jr.'s process is very different from ours in the steps and the sets of technologies with the main similarity being he uses the Internet for signup while the Internet is just one of the forms of communications used in our invention.

Blagg documents allowing the credit limit and the authorized user of a credit card to be set. These are already pre-existing usage parameters of all credit cards (except so-called "unlimited" cards) and allowing these to be set is not a novel idea. Blagg has received a patent for the process by which these may be set -- particularly the use of an account group rather than a specific person as an account holder. Blagg's patent covers grouping and linking of credit card accounts and sending a single statement for the grouped cards; neither of which are covered by our patent application.

Blagg's patent does cover restricting a credit card's usage by geographical region. Importantly, Blagg submitted a process for configuring card accounts via the Internet but makes no mention of real-time, inline authorization using the Internet, cell phone, or other means which is an essential claim in our application (Claim 11 for instance).

I note in Blagg's repetitive listing of financial limits that no mention of statistical, averaging, or percent-wise limits is made. A typical magnitude limiting and measuring function for anything which has a numerical value would be to set a limit by a rolling average for the measured item (in this case an account), to set a limit based on statistical averaging based on season, grouping of people, or other measurement grouping, or to set a limit based on the percent of the total amount available (in this case the total credit available). Note that the total credit may span multiple accounts and even account for bank accounts and other personal assets as allowed and specified by the account manager and/or owner.

Blagg's patent is overlaps ours in the usage of geographical constraints on authorization though thus is only one of our many constraints. As the usage of geographical constraints is not an explicit claim in our patent then this should be no problem.

Thank you for taking the time to review our responses to your Objections. We believe we have provided a compelling argument for the granting of a patent on our invention. We are excited about the opportunities to reduce credit card fraud and anticipate ever more advances in this technology arena.

Please communicate with us openly about any further efforts we need to take to further this patent process.

Sincerely,

Tim Jowers, TimJowers@yahoo.Com

Reference:

09/759,723   Method of reducing fraud in credit card and other E-business
 Printer Friendly Version
Application Data   Transaction History   Image File Wrapper
        Continuity Data
Published Documents   Publication Dates   Correspondence Data
Application Number: 09/759,723   Customer Number: −
Filing or 371 (c) Date: 01-25-2001   Status: Non Final
Action Mailed
Application Type: Utility   Status Date: 05-31-2005
Examiner Name: CHARLES, DEBRA F   Location: ELECTRONIC
Group Art Unit: 3624   Location Date: −
Confirmation Number: 2219   Earliest Publication No: US 2002-
0099648 A1
Attorney Docket Number: DeVoe-Credit Card-Fee Earliest
Publication Date:
07-25-2002
Class / Subclass: 705/038   Patent Number: −
First Named Inventor: Dana DeVoe , Columbia, SC   Issue Date of
Patent: −
Title of Invention: Method of reducing fraud in credit card and other

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In the case of Michael Daly his approach works by communicating with each vendor new maximum purchase limits, however in our approach, the bank stores the limits for the usage of the card purchases. Also the user can change those parameters such as purchase amount and several other parameters all over the internet, however Daly does not indicate how the redefine limits would set.

While the technology and the approach seem similar the major different between our approach and the others listed in your reject is as follows: Bank side processing and user side processing. Through the use of the internet, a card holder is able to change the parameters of

approval used by his banking institution. The parameters we call usage
line. Then bank use them to determine if a transaction should approved
or not. However it is the user who sets these values and these values
can be set at any time by the user.